

**AMENDMENT NO. 3  
TO REVOLVING CREDIT  
AND GUARANTY AGREEMENT**

**AMENDMENT NO. 3**, dated as of January 8, 2001 (the "Amendment"), to the **REVOLVING CREDIT AND GUARANTY AGREEMENT**, dated as of June 2, 2000, among **FAMILY GOLF CENTERS, INC.**, a Delaware corporation (the "Borrower"), a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code, the Subsidiaries of the Borrower named therein as Guarantors (the "Guarantors"), **THE CHASE MANHATTAN BANK**, a New York banking corporation ("Chase"), each of the other financial institutions party thereto (together with Chase, the "Banks") and **THE CHASE MANHATTAN BANK**, as Agent for the Banks (in such capacity, the "Agent");

**WITNESSETH:**

**WHEREAS**, the Borrower, the Guarantors, the Banks and the Agent are parties to that certain Revolving Credit and Guaranty Agreement, dated as of June 2, 2000, as amended by that certain Amendment No. 1 to Revolving Credit and Guaranty Agreement dated as of June 30, 2000, as further amended by that certain Amendment No. 2 to Revolving Credit and Guaranty Agreement dated as of November 21, 2000 (as the same may be further amended, modified or supplemented from time to time, the "Credit Agreement"); and

**WHEREAS**, the Borrower and the Guarantors have requested that from and after the Effective Date (as hereinafter defined) of this Amendment, the Credit Agreement be amended subject to and upon the terms and conditions set forth herein;

**NOW, THEREFORE**, it is agreed:

1. Except as otherwise defined in this Amendment, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Subject to the satisfaction of the conditions precedent set forth in Section 4 hereof, the Credit Agreement is hereby amended as of the Effective Date as follows:

(A) Section 1 of the Credit Agreement is hereby amended by amending and restating the following definitions in their entirety to read as follows:

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are required or permitted to close (and,

for a Letter of Credit, other than a day on which the Fronting Bank issuing such Letter of Credit is closed).

'Loans' shall mean, collectively, the Revolving Loans and the Standby Loans.

'Orders' shall mean the Interim Order, the Final Order, the Interim Amendment Order and the Final Amendment Order.

'Prepayment Date' shall mean thirty (30) days after the entry of the Interim Amendment Order by the Bankruptcy Court if the Final Amendment Order has not been entered by the Bankruptcy Court prior to the expiration of such thirty (30) day period.

(B) Section 1 of the Credit Agreement is hereby amended by deleting the definitions: "Commitment Percentage," "Maturity Date" and "Unused Total Commitment."

(C) Section 1 of the Credit Agreement is hereby amended by inserting in the correct alphabetical sequence the following new definitions:

"Final Amendment Order" shall mean the Final Order in connection with Amendment No. 3 to this Agreement substantially in the form of the Interim Amendment Order.

'Interim Amendment Order' shall mean the Interim Order entered by the Bankruptcy Court on January \_\_, 2001, a copy of which is attached to Amendment No. 3 to this Agreement as Exhibit A.

'Revolving Loan Commitment' shall mean, with respect to each Bank, the obligation of such Bank to make Revolving Loans to the Borrower and to acquire participations in Letters of Credit in an aggregate amount not to exceed the amount set forth opposite such Bank's name on Annex A hereto, as such amounts may be adjusted in accordance with the terms of this Agreement.

'Revolving Loan Commitment Percentage' shall mean at any time, with respect to each Bank, the percentage obtained by dividing its Revolving Loan Commitment at such time by the Total Revolving Loan Commitment at such time.

'Revolving Loan Commitment Termination Date' shall mean January 1, 2001.

'Revolving Loan Maturity Date' shall mean May 5, 2001.

'Revolving Loans' shall have the meaning set forth in Section 2.01(a).

'Standby Loan Commitment' shall mean, with respect to each Bank, the obligation of such Bank to make Standby Loans to the Borrower in an aggregate amount not to exceed the amount set forth opposite such Bank's name on Annex A hereto, as such amounts may be adjusted in accordance with the terms of this Agreement.

'Standby Loan Commitment Percentage' shall mean at any time, with respect to each Bank, the percentage obtained by dividing its Standby Loan Commitment at such time by the Total Standby Loan Commitment at such time.

'Standby Loan Commitment Termination Date' shall mean March 2, 2001.

'Standby Loan Maturity Date' shall mean March 15, 2001.

'Standby Loans' shall have the meaning set forth in Section 2.01(b).

'Termination Date' shall mean the earliest to occur of (i) the Prepayment Date, (ii) the Revolving Loan Maturity Date, (iii) the Consummation Date and (iv) the acceleration of the Loans in accordance with the terms hereof.

'Total Commitment' shall mean, at any time, the sum of the Revolving Loan Commitments and the Standby Loan Commitments.

'Total Revolving Loan Commitment' shall mean, at any time, the sum of the Revolving Loan Commitments at such time.

'Total Standby Loan Commitment' shall mean, at any time, the sum of the Standby Loan Commitments at such time."

(D) Section 2.01 of the Credit Agreement is hereby amended in its entirety to read as follows:

"(a) Each Bank severally and not jointly with the other Banks agrees, upon the terms and subject to the conditions herein set forth (including, without limitation, the provisions of Section 2.23), to make revolving credit loans (each a "Revolving Loan" and collectively, the "Revolving Loans") to the Borrower at any time and from time to time during the period commencing on the date hereof and ending on the Revolving Loan Commitment Termination Date in an aggregate principal amount not to exceed, when added to such Bank's Revolving Loan Commitment Percentage of the then aggregate Letter of Credit Outstandings, the Revolving Loan Commitment of such Bank, which Revolving Loans may be repaid and reborrowed in accordance with the provisions of this Agreement. At no time shall the sum of the then outstanding aggregate principal amount of the Revolving Loans plus the then

aggregate Letter of Credit Outstandings exceed the Total Revolving Loan Commitment of \$15,000,000, as the same may be reduced from time to time pursuant to Section 2.09. No amounts repaid on the Revolving Loans after the Revolving Loan Commitment Termination Date may be reborrowed or otherwise readvanced under the Revolving Loan Commitment.

(b) Each Bank severally and not jointly with the other Banks also agrees, upon the terms and subject to the conditions herein set forth, to make revolving credit loans (each a "Standby Loan" and collectively, the "Standby Loans") to the Borrower at any time and from time to time during the period commencing on the Effective Date and ending on the earlier of (i) Termination Date and (ii) Standby Loan Commitment Termination Date in an aggregate principal amount not to exceed such Bank's Standby Loan Commitment, which Standby Loans may be repaid and reborrowed in accordance with the provisions of this Agreement. At no time shall the sum of the then outstanding aggregate principal amount of the Standby Loans exceed the Total Standby Loan Commitment of \$3,600,000, as the same may be reduced from time to time pursuant to Sections 2.09 and 2.10(d). The Borrower shall not request and the Banks shall not be obligated to make a Standby Loan more than once each calendar week.

(E) Section 2.02 of the Credit Agreement is hereby amended by deleting "Commitment Percentage" where it appears and inserting "Revolving Loan Commitment Percentage" in lieu thereof.

(F) Section 2.02(a) of the Credit Agreement is hereby amended by (i) deleting "the Termination Date" where it appears and inserting "the Revolving Loan Commitment Termination Date" in lieu thereof, and (ii) deleting "the Loans, would exceed the Total Commitment" where it appears and inserting "the Revolving Loans, would exceed the Total Revolving Loan Commitment" in lieu thereof.

(G) Section 2.02(h) of the Credit Agreement is hereby amended by deleting "Maturity Date" where it appears and inserting "Revolving Loan Maturity" in lieu thereof.

(H) Section 2.02(d) of the Credit Agreement is hereby amended by deleting "Total Commitment" where it appears and inserting "Total Revolving Loan Commitment" in lieu thereof.

(I) Section 2.06(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(a) The Borrower hereby unconditionally promises to pay to the Agent for the account of each Bank the then unpaid principal amount of each Revolving Loan on the earlier of (i) the Termination Date and (ii) the Revolving Loan Maturity

Date, and each Standby Loan on the earlier of (i) the Termination Date and (ii) the Standby Loan Maturity Date."

(J) Section 2.07(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

"Subject to the provisions of Section 2.08, each Revolving Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Alternate Base Rate plus 1-1/2% and each Standby Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Alternate Base Rate plus 3%."

(K) Section 2.09 of the Credit Agreement is hereby amended in its entirety to read as follows:

**"SECTION 2.09 Optional Termination or Reduction of Commitment.**  
Upon at least two Business Days' prior written notice to the Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Standby Loan Commitment. Each such reduction of the Standby Loan Commitment shall be in the principal amount of \$1,000,000 or any integral multiple thereof. Simultaneously with each reduction or termination of the Standby Loan Commitment, the Borrower shall pay to the Agent for the account of each Bank the Commitment Fee accrued, but unpaid, on the amount of the Standby Loan Commitment of such Bank so terminated or reduced through the date thereof. Any reduction of the Standby Loan Commitment pursuant to this Section shall be applied pro rata to reduce the Standby Loan Commitment of each Bank."

(L) Section 2.10(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(a) If at any time the aggregate principal amount of the outstanding Revolving Loans plus the aggregate Letter of Credit Outstandings exceeds the Revolving Loan Commitment, the Borrower will within three Business Days (i) prepay the Revolving Loans in an amount necessary to cause the aggregate principal amount of the outstanding Revolving Loans plus the aggregate Letter of Credit Outstandings to be equal to or less than the Total Revolving Loan Commitment, and (ii) if, after giving effect to the prepayment in full of the Revolving Loans, the aggregate Letter of Credit Outstandings in excess of the amount of cash held in the Letter of Credit Account exceeds the Total Revolving Loan Commitment, deposit into the Letter of Credit Account an amount equal to 105% of the amount by which the aggregate Letter of Credit Outstandings in excess of the amount of cash held in the Letter of Credit Account so exceeds the Total Revolving Loan Commitment."

(M) Section 2.10(b)(i) of the Credit Agreement is hereby amended in its entirety to read as follows:

“(i) If the Agent shall have a first Lien on such assets or properties, the Net Cash Proceeds thereof shall be applied first to pay any principal, interest and fees due in connection with the Standby Loans then outstanding, second to the extent that there are no Standby Loans outstanding and the Standby Loan Commitment has not been terminated in whole, such Net Cash Proceeds in an amount not to exceed the lesser of (i) \$3,000,000 less the aggregate amount of Net Cash Proceeds received after January 1, 2001 and (ii) the Total Standby Loan Commitment measured as of such date, shall be deposited into a segregated cash collateral account in the name of the Agent as cash collateral for the Standby Loans and the Revolving Loans to be applied to repay additional Standby Loans when made, third to the principal, interest and fees due in connection with the Revolving Loans then outstanding and fourth be deposited into a segregated interest bearing account with the Agent until an order of the Bankruptcy Court is entered to the effect that any junior Lien on such assets or properties asserted by any lienholder (including, without limitation, the purported liens granted to the lenders under the Existing Agreements by the Borrower and the Guarantors) is valid, perfected, binding and enforceable against the Borrower or the Guarantors but for the filing of the Cases at which time the Net Cash Proceeds shall be applied as the Bankruptcy Court may direct in its order; and”

(N) Section 2.10(c) of the Credit Agreement is hereby amended in its entirety to read as follows:

“(c) Upon the Termination Date, the Total Commitment shall be terminated in full and the Borrower shall pay the Loans in full, and, except as the Agent may otherwise agree in writing, if any Letter of Credit remains outstanding, deposit into the Letter of Credit Account an amount equal to 105% of the amount by which the sum of the aggregate Letter of Credit Outstandings exceeds the amount of cash held in the Letter of Credit Account, such cash to be remitted to the Borrower upon the expiration, cancellation, satisfaction or other termination of such reimbursement obligations, or otherwise comply with Section 2.02(b). Upon the Standby Loan Commitment Termination Date, the Total Standby Loan Commitment shall be terminated in full and the Borrower shall pay the Standby Loans in full.”

(O) Section 2.10 of the Credit Agreement is hereby amended to add a new subsection (d) to read as follows:

“(d) Upon receipt of Net Cash Proceeds that are applied to repay Loans or to cash collateralize future Standby Loans in accordance with Section 2.10(b)(i), the Total Standby Loan Commitment shall be permanently terminated in an amount

equal to the amount by which such Net Cash Proceeds, when added to the amount of all Net Cash Proceeds received after January 1, 2001, exceeds \$3,000,000.

(P) Section 2.13 of the Credit Agreement is hereby amended in its entirety to read as follows:

**SECTION 2.13 Pro Rata Treatment, etc.** (a) All payments and repayments of principal and interest in respect of the Revolving Loans (except as provided in Section 2.12) shall be made pro rata among the Banks in accordance with the then outstanding principal amount of the Revolving Loans and/or participations in Letter of Credit Outstandings and all outstanding undrawn Letters of Credit (and the unreimbursed amount of drawn Letters of Credit) hereunder and all payments of Commitment Fees in respect of the Revolving Loan Commitment and Letter of Credit Fees (other than those payable to a Fronting Bank) shall be made pro rata among the Banks in accordance with their Revolving Loan Commitments.

(b) All payments and repayments of principal and interest in respect of the Standby Loans (except as provided in Section 2.12) shall be made pro rata among the Banks in accordance with the then outstanding principal amount of the Standby Loans hereunder and all payments of Commitment Fees in respect of the Standby Loan Commitment shall be made pro rata among the Banks in accordance with their Standby Loan Commitments.

(c) All payments by the Borrower hereunder shall be (i) net of any tax applicable to the Borrower or Guarantor and (ii) made in Dollars in immediately available funds at the office of the Agent by 12:00 noon, New York City time, on the date on which such payment shall be due. Interest in respect of any Loan hereunder shall accrue from and including the date of such Loan to be excluding the date on which such Loan is paid in full.

(Q) Section 2.16 of the Credit Agreement is hereby amended in its entirety to read as follows:

**"Commitment Fee.** (a) The Borrower shall pay to the Banks a commitment fee (the "Commitment Fee") for the period commencing on May 9, 2000 to the Revolving Loan Commitment Termination Date with respect to the Revolving Loan Commitment, or the earlier date of termination of the Revolving Loan Commitment, computed (on the basis of the actual number of days elapsed over a year of 360 days) at the rate of one percent (1%) per annum on the average daily unused Revolving Loan Commitment.

(b) The Borrower shall pay to the Banks a Commitment Fee for the period commencing on January 4, 2001 to the Standby Loan Commitment Termination Date with respect to the Standby Loan Commitment, or the earlier date of termination of the Standby Loan Commitment, computed (on the basis of the actual number of days

elapsed over a year of 360 days) at the rate of one percent (1%) per annum on the average daily unused Standby Loan Commitment.

(c) Such Commitment Fees, to the extent then accrued and unpaid, shall be payable (x) monthly, in arrears, on the last calendar day of each month, (y) on the Termination Date and (z) as provided in Sections 2.09 and 2.10(d) hereof, upon any reduction or termination in whole or in part of the Revolving Loan Commitment or the Standby Loan Commitment, as the case may be."

(R) Section 2.17 of the Credit Agreement is hereby amended by deleting "Total Commitment" where it appears and inserting "Total Revolving Loan Commitment" in lieu thereof.

(S) Section 3.09 is amended in its entirety to read as follows:

"SECTION 3.09 **The Orders.** On the date of the making of the initial Revolving Loans or the issuance of the initial Letters of Credit hereunder, whichever first occurs, the Interim Order will have been entered and will not have been stayed, amended, vacated, reversed or rescinded (without the prior written consent of the Agent). On the date of the making of any Revolving Loan or the issuance of any Letter of Credit, the Interim Order or the Final Order, as the case may be, shall have been entered and shall not have been amended, stayed, vacated or rescinded (without the prior written consent of the Agent). On the date of the making of the initial Standby Loans, the Interim Amendment Order will have been entered and will not have been stayed, amended, vacated, reversed or rescinded (without the prior written consent of the Agent). On the date of the making of any Standby Loan, the Interim Amendment Order or the Final Amendment Order, as the case may be, shall have been entered and shall not have been amended, stayed, vacated or rescinded (without the prior written consent of the Agent). Upon the maturity (whether by the acceleration or otherwise) of any of the obligations of the Borrower and the Guarantors hereunder and under the other Loan Documents, the Banks shall, subject to the provisions of Section 7.01 (including the requirement to give five (5) Business Days notice as required in the last paragraph of Section 7.01), be entitled to immediate payment of such obligations, and to enforce the remedies provided for hereunder, without further application to or order by the Bankruptcy Court."

(T) The Credit Agreement is hereby amended to add a new Section 4.01A to read as follows:

"SECTION 4.01A **Additional Conditions Precedent to Each Standby Loan.** In addition to the conditions precedent set forth in Section 4.01, the obligation of the Banks to make each Standby Loan from and after the entry by the Bankruptcy Court of the Final Amendment Order is subject to the following conditions precedent:



(a) Orders. The Orders shall be in full force and effect and shall not have been stayed, reversed, modified or amended in any respect without the prior written consent of the Agent.

(b) Information. The Agent shall have received a detailed use of proceeds statement satisfactory in all respects to the Agent."

(U) Section 5.01(f) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(f) no later than Thursday of each week commencing on January 11, 2001, an updated Budget for the period commencing on December 30, 2000 and ending March 2, 2001 demonstrating in detail any variances from the Budget submitted pursuant to Section 6.09 hereof and setting forth cash on hand, actual expenditures and outstanding payables, each in form previously delivered to the Agent and the Banks and satisfactory in form and substance to the Agent and one other Bank;"

(V) Section 6.09 of the Credit Agreement is hereby amended by deleting "December 29, 2000" where it appears and inserting "March 15, 2001" in lieu thereof.

(W) Schedule 6.09 of the Credit Agreement is hereby replaced in its entirety by Schedule A hereto.

(X) Section 8.02(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(b) Any amounts received by the Agent in connection with this Agreement (other than amounts to which the Agent is entitled pursuant to Sections 2.15, 8.06, 10.05, 10.06 or in connection with any amendment hereto), the application of which is not otherwise provided for in this Agreement shall be applied, first, in accordance with each Bank's Standby Loan Commitment Percentage, to pay accrued but unpaid Commitment Fees, second, in accordance with each Bank's Standby Loan Commitment Percentage, to pay accrued but unpaid interest on the outstanding Standby Loans owed to each Bank, third, in accordance with each Bank's Standby Loan Commitment Percentage, to pay the principal balance outstanding on the Standby Loans, fourth, in accordance with each Bank's Revolving Loan Commitment Percentage to pay accrued but unpaid Commitment Fees or Letter of Credit Fees, and fifth, in accordance with each Bank's Revolving Loan Commitment Percentage to pay accrued but unpaid interest and the principal balance outstanding and all unreimbursed Letter of Credit drawings. All amounts to be paid to a Bank by the Agent shall be credited to that Bank, after collection by the Agent, in immediately available funds either by wire transfer or deposit in that Bank's correspondent account with the Agent, as such Bank and the Agent shall from time to time agree."

(Y) Section 8.06 of the Credit Agreement is hereby amended by deleting "Commitment Percentage" where it appears and inserting "Revolving Loan Commitment Percentage" in lieu thereof.

(Z) Annex A of the Credit Agreement is hereby replaced in its entirety by Annex A hereto.

3. The Borrower and each Guarantor represents and warrants that:

(A) after giving effect to this Amendment, the representations and warranties contained in the Credit Agreement are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof (except to the extent that any such representations and warranties specifically relate to an earlier date); and

(B) after giving effect to this Amendment, no Event of Default or Default will have occurred and be continuing on and as of the date hereof.

4. The effectiveness of this Amendment is subject to the satisfaction in full of each of the conditions precedent set forth in this Section (the date on which all such conditions have been satisfied being herein called the "Effective Date");

(A) the Agent shall have received counterparts of this Amendment which, when taken together, bear the signatures of the Borrower, each Guarantor, the Agent and each of the Banks;

(B) the Agent and one other Bank shall have received and approved the revised Budget for the period commencing on December 30, 2000 and ending on March 2, 2001;

(C) the Agent shall have received evidence of the entry of the Interim Amendment Order by the Bankruptcy Court approving this Amendment in the form attached hereto as Exhibit A which shall provide, among other things, that the adequate protection payments being made to the Pre-Petition Non-Primed Lenders (as defined in the Final Order) pursuant to the Final Order shall be terminated;

(D) the Agent shall have received for the ratable benefit of the Banks who have a Standby Loan Commitment, a fee in the amount of \$50,000;

(E) the Agent shall have received for the ratable benefit of the Banks who have a Revolving Loan Commitment, outstanding interest and fees for the month ending December 31, 2000 in the amount of \$155,000; and

(F) all legal matters incident to this Amendment shall be satisfactory to Morgan, Lewis & Bockius LLP, counsel to the Agent.

5. To induce the Agent and the Banks to enter into this Amendment, the Borrower agrees to submit a motion to the Bankruptcy Court no later than January 9, 2001 or such later date with the consent of the Agent, seeking approval under Section 363 of the Bankruptcy Code for the procedure to be used for the sale of substantially all of its assets.

6. Compliance with Sections 2.16 and 7.01(b) of the Credit Agreement, but only with respect to the Borrower's failure to pay accrued interest and the Commitment Fee for the month ending December 31, 2000, is hereby waived to and including the Effective Date (the "Waiver Period"); provided that any breach during the Waiver Period in the timely performance, observance or fulfillment of any of the terms or conditions contained in this Amendment shall constitute an Event of Default under the Credit Agreement and, unless the Agent and the requisite number of Banks otherwise agree in writing, shall result in an immediate termination of the effectiveness of the waiver contained herein.

7. The Borrower and each Guarantor agrees that its obligations set forth in Section 10.05 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment.

8. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein, or (b) to prejudice any right or rights which the Agent or the Banks may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

9. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

10. This Amendment shall in all respects be construed in accordance with and governed by the laws of the State of New York applicable to contracts made and to be performed wholly within such State.

11. This Amendment shall constitute a Loan Document.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed as of the day and the year first above written.

**BORROWER:**

**FAMILY GOLF CENTERS, INC.**

By: \_\_\_\_\_

Name:

Title:

**GUARANTORS:**

**TPT EL SEGUNDO, INC.  
GLOBAL GOLF/GAVILAN  
INDIAN RIVER FAMILY GOLF CENTERS, INC.  
TUCSON FAMILY GOLF CENTERS, INC.  
CINCINNATI FAMILY GOLF CENTERS, INC.  
ST. LOUIS FAMILY GOLF CENTERS, INC.  
WEST PALM BEACH FAMILY GOLF CENTERS, INC.  
SAN JOSE FAMILY GOLF CENTERS, INC.  
EASTON FAMILY GOLF CENTERS, INC.  
RANDALL'S ISLAND FAMILY GOLF CENTERS, INC.  
PRIVATIZATION PLUS, INC.  
WESTMINSTER FAMILY GOLF CENTERS, INC.  
CAROLINA SPRINGS FAMILY GOLF CENTERS, INC.  
ORIENT ASSOCIATES INTERNATIONAL, INC.  
SKYDRIVE ALLEY POND COMPANY, INC.  
SKYDRIVE GREENBURGH CO., INC.  
SKYCON CONSTRUCTION CO., INC.  
SKYDRIVE WILLOWBROOK, NJ, INC.  
SKYDRIVE CO., INC.  
PELHAM FAMILY GOLF CENTERS, INC.  
RICHMOND FAMILY GOLF CENTERS, INC.  
PEACHTREE FAMILY GOLF CENTERS, INC.  
ALPHARETTA FAMILY GOLF CENTERS, INC.  
VALLEY VIEW FAMILY GOLF CENTERS, INC.  
MESA FAMILY GOLF CENTERS, INC.  
VIRGINIA BEACH FAMILY GOLF CENTERS, INC.  
DENVER FAMILY GOLF CENTERS, INC.  
FLANDERS FAMILY GOLF CENTERS, INC.  
MARGATE FAMILY GOLF CENTERS, INC.**

BROOKLYN FAMILY GOLF CENTERS, INC.  
LAKE GROVE FAMILY GOLF CENTERS, INC.  
GOLDEN SPIKES, INC.  
WHITEHALL FAMILY GOLF CENTERS, INC.  
SPORTS PLUS PROPERTIES, INC.  
SPORTS PLUS PROPERTIES, LLC  
GENPROP, LLC  
ICEWORKS OF AMERICA, INC.  
COMMACK FAMILY GOLF CENTERS, INC.  
GREENVILLE FAMILY GOLF CENTERS, INC.  
CHICAGO FAMILY GOLF CENTERS, INC.  
FLEMINGTON FAMILY GOLF CENTERS, INC.  
YORKTOWN FAMILY GOLF CENTERS, INC.  
THE PRACTICE TEE, INC.  
THE SEVEN IRON, INC.  
C.B. FAMILY GOLF CENTERS, INC.  
DARLINGTON FAMILY GOLF CENTERS, INC.  
MAINEVILLE FAMILY GOLF CENTERS, INC.  
MILWAUKEE FAMILY GOLF CENTERS, INC.  
OLNEY FAMILY GOLF CENTERS, INC.  
PALM DESERT FAMILY GOLF CENTERS, INC.  
BROWARD FAMILY GOLF CENTERS, INC.  
ENGLEWOOD FAMILY GOLF CENTERS, INC.  
RALEIGH FAMILY GOLF CENTERS, INC.  
TEMPE FAMILY GOLF CENTERS, INC.  
FEDERAL WAY FAMILY GOLF CENTERS, INC.  
COUNTY LINE FAMILY GOLF CENTERS, INC.  
FAIRFIELD FAMILY GOLF CENTERS, INC.  
CONFIDENCE GOLF, INC.  
KANSAS FAMILY GOLF CENTERS, INC.  
ELK GROVE FAMILY GOLF CENTERS, INC.  
SPORTS PLUS CINCINNATI, INC.  
WICHITA FAMILY GOLF CENTERS, INC.  
BLUE EAGLE OF FLORIDA, INC.  
SPORTS PLUS RALEIGH, INC.  
SPORTS PLUS WOODBRIDGE, INC.  
METROGOLF INCORPORATED  
METROGOLF VIRGINIA, INC.  
METROGOLF NEW YORK, INC.  
FAMILY GOLF ACQUISITION, INC.  
BRONX FAMILY GOLF CENTERS, INC.  
MILPITAS FAMILY GOLF CENTERS, INC.  
SAN BRUNO FAMILY GOLF CENTERS, INC.

INTERBAY FAMILY GOLF CENTERS, INC.  
 CARVER FAMILY GOLF CENTERS, INC.  
 PALM FAMILY GOLF CENTERS, INC.  
 CERRITOS FAMILY GOLF CENTERS, INC.  
 PHILADELPHIA FAMILY GOLF CENTERS, INC.,  
*as successor by merger to* PINLEY ENTERPRISES LTD.  
 ENCINO/BALBOA FAMILY GOLF CENTERS, INC.  
 HOLBROOK FAMILY GOLF CENTERS, INC.  
 SHELTON FAMILY GOLF CENTERS, INC.  
 SPORTS PLUS NEW ROCHELLE, INC.  
 METROGOLF SAN DIEGO INC.  
 METROGOLF ILLINOIS CENTER, INC.  
 METROGOLF MANAGEMENT, INC.  
 FAMILY GOLF VENDING, INC.  
 OVERLAND FAMILY GOLF CENTERS, INC.  
 PARDOC VENDING CORP.  
 EAGLE QUEST GOLF CENTERS (TEXAS II) INC.  
 EAGLE QUEST GOLF CENTERS (CALIFORNIA) INC.  
 EAGLE QUEST GOLF CENTERS (H.P.) INC.  
 EAGLE QUEST GOLF CENTERS (WASHINGTON)  
 INC.  
 GOLF PARK, INC.  
 GOOSE CREEK GOLF PARTNERS  
 LIMITED PARTNERSHIP  
 VINTAGE NEW YORK GOLF, LLC  
 SACRAMENTO FAMILY GOLF CENTERS, INC.  
 PORTLAND FAMILY GOLF CENTERS, INC.  
 CARLSBAD FAMILY GOLF CENTERS, INC.  
 EVERGREEN FAMILY GOLF CENTERS, INC.  
 OVERLAND PARK, LLC  
 EAGLE QUEST GOLF CENTERS (TEXAS) INC.  
 PRECISION COURSES, INC.  
 IMG PROPERTIES, INC.  
 EAGLE QUEST GOLF CENTERS ENTERTAINMENT,  
 INC.  
 EAGLE QUEST GOLF CENTERS (U.S.) INC.  
 SOLANO GOLF CENTER, LP  
 ILLINOIS CENTER GOLF PARTNERS, L.P.  
 GBGC FAMILY GOLF CENTERS, INC.  
 VOORHEES FAMILY GOLF CENTERS, INC.  
 EL CAJON FAMILY GOLF CENTERS, INC.  
 BLUE EAGLE OF KANSAS, INC.  
 BLUE EAGLE (OP) INC.

SKATENATION, INC.  
RECREATIONAL MANAGEMENT CORPORATION  
SKATENATION OF RICHMOND WEST, LLC  
SKATENATION OF PRINCE WILLIAM, LLC  
SKATENATION OF PINEY ORCHARD, LLC  
82ND AVENUE GOLF RANGE, INC.  
EVERGREEN GOLF COURSE, LLC  
EAGLE QUEST GOLF CENTERS (WASHINGTON II),  
INC.  
KANSAS CITY FAMILY GOLF CENTERS, INC.  
BLUE EAGLE OF FLORIDA, INC.  
PINNACLE ENTERTAINMENT, INC.  
RECREATIONAL MANAGEMENT SERVICES  
CORPORATION  
RECREATIONAL MANAGEMENT SERVICES  
CORPORATION OF NEW JERSEY, INC.  
SKATENATION OF RICHMOND SOUTH, LLC  
SKATENATION OF RESTON, LLC  
INTERNATIONAL SKATING CENTER OF  
CONNECTICUT, LLC  
RMSC OF CALIFORNIA, INC.  
LODI FAMILY GOLF CENTERS, INC.

By: \_\_\_\_\_  
Name:  
Title:

**AGENT:**

**THE CHASE MANHATTAN BANK,  
Individually and as Agent**

By: \_\_\_\_\_  
Name:  
Title:

**CIBC INC.**

By: \_\_\_\_\_

Name:

Title:

**THE DIME SAVINGS BANK  
OF NEW YORK FSB**

By: \_\_\_\_\_

Name:

Title:



**ANNEX A**  
**To Amendment No. 3 to**  
**Revolving Credit and**  
**Guaranty Agreement**

**ANNEX A**  
**to**  
**REVOLVING CREDIT AND GUARANTY AGREEMENT**

**Dated as of June 2, 2000, as amended**

| <u>Banks</u>                             | <u>Revolving<br/>Loan<br/>Commitment</u> | <u>Standby Loan<br/>Commitment</u> | <u>Total<br/>Commitment</u> |
|--|--|------------------------------------|-----------------------------|
| The Chase Manhattan Bank                 | \$10,500,000                             | \$3,600,000                        | \$14,100,000                |
| CIBC Inc.                                | 3,000,000                                | 0                                  | 3,000,000                   |
| The Dime Savings Bank of<br>New York FSB | <u>1,500,000</u>                         | <u>0</u>                           | <u>1,500,000</u>            |
|  | \$15,000,000                             | \$3,600,000                        | \$18,600,000                |

**SCHEDULE A**  
**To Amendment No. 3 to**  
**Revolving Credit and**  
**Guaranty Agreement**

**SCHEDULE 6.09**

**Budget**

**FAMILY GOLF CENTERS, INC.**  
**CASH FORECAST - CONSOLIDATED**

FORECAST - 1st Quarter '01 (DIP 3rd Amendment)

Closing as of 2/28/00 Assumed

|  | 4 Weeks Ended<br>28-Dec-00 | Actual<br>5-Jan-01 | 12-Jan-01      | 19-Jan-01      | 26-Jan-01      | 4 Weeks Ended<br>26-Jan-01 | 2-Feb-01       | 9-Feb-01       | 16-Feb-01      | 23-Feb-01      | 4 Weeks Ended<br>23-Feb-01 | 2-Mar-01       |
|--|----------------------------|--------------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|----------------|----------------------------|----------------|
| <b>OPENING CASH BALANCE</b>                | \$ (2,565,599)             | \$ 684,024         | \$ 1,653,878   | \$ (2,126,841) | \$ (953,646)   | \$ 684,024                 | \$ (1,862,951) | \$ (1,903,856) | \$ (1,129,761) | \$ (609,666)   | \$ (1,862,951)             | \$ (1,097,071) |
| <b>RECEIPTS</b>                            |                            |                    |                |                |                |                            |                |                |                |                |                            |                |
| Golf Sales                                 | 4,527,800                  | 583,788            | 581,000        | 581,000        | 581,000        | 2,326,788                  | 679,000        | 824,000        | 824,000        | 924,000        | 3,251,000                  | 1,268,000      |
| FEC / ICE                                  | -                          | 772,877            | 406,000        | 502,000        | 574,000        | 2,254,877                  | 535,000        | 439,000        | 489,000        | 614,000        | 2,077,000                  | 611,286        |
| Percentages From Asset Sales -             | -                          | -                  | -              | -              | -              | -                          | -              | -              | -              | -              | -                          | -              |
| Released by Banks                          | 70,460                     | 75,801             | -              | 1,000,000      | -              | 1,000,000                  | 400,000        | 1,600,000      | -              | -              | 2,000,000                  | -              |
| Miscellaneous                              | -                          | (3,000)            | -              | -              | -              | 75,801                     | -              | -              | -              | -              | (45,309)                   | (76,300)       |
| Funding of Site Disbursements - F&B        | -                          | -                  | -              | -              | -              | (24,550)                   | (9,450)        | (11,950)       | (11,950)       | (11,950)       | (45,309)                   | (76,300)       |
| Total Receipts                             | 4,598,061                  | 1,427,466          | (9,829)        | 2,073,150      | 1,145,150      | 5,622,916                  | 1,604,550      | 2,851,050      | 1,301,050      | 1,526,050      | 7,282,700                  | 1,852,986      |
| <b>DISBURSEMENTS</b>                       |                            |                    |                |                |                |                            |                |                |                |                |                            |                |
| Operations:                                |                            |                    |                |                |                |                            |                |                |                |                |                            |                |
| Payroll - Operations                       | 2,318,044                  | -                  | 1,325,000      | -              | 1,325,000      | 2,650,000                  | 1,325,000      | 1,325,000      | 1,325,000      | 1,325,000      | 2,650,000                  | 1,325,000      |
| - H.O.                                     | 340,000                    | -                  | 170,000        | -              | 170,000        | 340,000                    | 170,000        | 170,000        | 170,000        | 170,000        | 340,000                    | 170,000        |
| - Layoff & Campaign (p. 01)                | 206,535                    | 51,777             | 59,600         | 59,600         | 59,600         | 230,577                    | 59,600         | 59,600         | 59,600         | 59,600         | 238,400                    | 119,200        |
| - Processing Costs (Intracost)             | -                          | -                  | 80,000         | -              | -              | 80,000                     | 38,000         | -              | -              | -              | 38,000                     | 38,000         |
| Rent - Recurring                           | 65,509                     | -                  | 1,217,500      | -              | 100,000        | 1,217,500                  | 1,200,000      | 1,200,000      | 1,200,000      | 1,200,000      | 1,200,000                  | 1,200,000      |
| - Revenue Sharing                          | -                          | -                  | -              | -              | 59,855         | 100,000                    | 59,855         | 59,855         | 59,855         | 59,855         | 238,400                    | 100,000        |
| Utilities - Electric & Gas (Court Ordered) | 124,855                    | 60,280             | 59,855         | 120,000        | 59,855         | 238,445                    | 59,855         | 35,000         | 120,000        | 35,000         | 310,000                    | 120,000        |
| - Electric & Gas Other                     | 432,789                    | 4,317              | 31,797         | 40,000         | 35,000         | 512,463                    | 120,000        | 40,000         | 40,000         | 40,000         | 80,000                     | 40,000         |
| - Telephone                                | -                          | -                  | 22,028         | -              | -              | 20,000                     | -              | -              | -              | -              | 20,000                     | 20,000         |
| - Waste Removal                            | -                          | -                  | 110,309        | -              | 145,000        | 308,426                    | 225,000        | 10,000         | 10,000         | 125,000        | 145,000                    | 20,000         |
| Taxes - Sales & Use                        | 90,444                     | 4,596              | 189,830        | -              | 45,000         | 578,837                    | -              | 3,500          | 110,000        | -              | 225,000                    | 145,000        |
| - Real Estate                              | 86,157                     | 4,599              | 854,089        | -              | 85,000         | 494,787                    | -              | 5,000          | 87,500         | -              | 92,500                     | 158,500        |
| Insurance - Medical                        | 279                        | 50                 | 494,787        | -              | 85,000         | 1,259,889                  | -              | 106,000        | 106,000        | -              | 113,500                    | 106,000        |
| - Other                                    | 75,249                     | 6,478              | 233,000        | -              | 40,000         | 5,463                      | 92,000         | 28,000         | 28,000         | -              | 92,000                     | 28,000         |
| Food & Beverage - Paid by HO               | 40,639                     | 2,463              | 3,000          | -              | 40,000         | 180,000                    | 40,000         | 40,000         | 40,000         | 40,000         | 160,000                    | 40,000         |
| Pro Shop (incl Range Bats & Club Orders)   | -                          | -                  | 80,000         | -              | 28,000         | 112,000                    | 28,000         | 28,000         | 28,000         | 28,000         | 112,000                    | 28,000         |
| F&B Redemption Prizes                      | -                          | -                  | 80,000         | -              | 28,000         | 78,825                     | -              | 50,000         | 50,000         | -              | 50,000                     | 50,000         |
| Games Commissions                          | -                          | -                  | 80,000         | -              | 28,000         | 78,825                     | -              | 50,000         | 50,000         | -              | 50,000                     | 50,000         |
| Advertising                                | 45,213                     | -                  | 78,825         | -              | 28,000         | 50,000                     | -              | 50,000         | 50,000         | -              | 50,000                     | 50,000         |
| Equipment Rentals                          | -                          | -                  | 50,000         | -              | 40,000         | 97,590                     | 40,000         | 40,000         | 40,000         | 40,000         | 80,000                     | 40,000         |
| Employee Expense Reimbursement             | 63,069                     | 4,580              | 53,000         | 40,000         | 42,000         | 50,000                     | 50,000         | 70,000         | 70,000         | 70,000         | 202,000                    | 65,000         |
| Professional Fees - Bankruptcy             | -                          | -                  | 134,000        | -              | 65,000         | 176,000                    | 65,000         | 65,000         | 65,000         | 65,000         | 280,000                    | 65,000         |
| Other Operating Expenses                   | 589,644                    | 9,647              | 240,000        | 65,000         | 42,000         | 379,647                    | 85,000         | -              | -              | -              | -                          | -              |
| <b>Total Operations</b>                    | 4,589,772                  | 457,612            | 6,532,969      | 782,456        | 1,864,455      | 9,701,547                  | 2,227,455      | 1,976,935      | 755,955        | 2,013,455      | 6,983,820                  | 2,787,555      |
| Net Operating Cash                         | 9,289                      | 969,854            | (5,555,819)    | 1,280,695      | (809,303)      | (4,078,631)                | (622,945)      | 874,084        | 535,095        | (487,405)      | 298,880                    | (934,569)      |
| <b>Financial:</b>                          |                            |                    |                |                |                |                            |                |                |                |                |                            |                |
| Principal & Interest - Bank Loans          | -                          | -                  | 205,000        | -              | -              | 205,000                    | 168,000        | -              | -              | -              | 168,000                    | 176,000        |
| <b>Capital Expenditures:</b>               |                            |                    |                |                |                |                            |                |                |                |                |                            |                |
| Construction                               | 80,782                     | -                  | -              | -              | -              | -                          | -              | -              | -              | -              | -                          | -              |
| Construction Carryforward                  | 43,904                     | -                  | 19,900         | 107,500        | 100,000        | 227,400                    | -              | 100,000        | 15,000         | -              | 115,000                    | -              |
| Capital Expenditures                       | 124,686                    | -                  | 19,900         | 107,500        | 100,000        | 227,400                    | -              | 100,000        | 15,000         | -              | 115,000                    | -              |
| <b>TOTAL DISBURSEMENTS</b>                 | 4,713,138                  | 457,612            | 6,737,869      | 899,955        | 2,054,455      | 10,133,947                 | 2,395,455      | 2,076,955      | 780,955        | 2,013,455      | 7,266,820                  | 2,963,555      |
| <b>CASH FLOW</b>                           | (115,377)                  | 869,854            | (5,780,719)    | 1,173,185      | (909,305)      | (4,511,031)                | (790,905)      | 774,085        | 520,095        | (487,405)      | 15,880                     | (1,110,568)    |
| <b>ENDING CASH BALANCE</b>                 | \$ (2,565,876)             | \$ 1,653,878       | \$ (4,126,841) | \$ (953,646)   | \$ (1,862,951) | \$ (3,827,007)             | \$ (2,653,856) | \$ (1,129,761) | \$ (609,666)   | \$ (1,097,071) | \$ (1,862,951)             | \$ (2,207,640) |
| <b>BORROWINGS(PAYDOWN)</b>                 | 3,250,000                  | -                  | 2,000,000      | -              | -              | 2,000,000                  | 750,000        | -              | -              | -              | 750,000                    | 850,000        |
| <b>ENDING CASH AFTER BORROWINGS</b>        | \$ 684,024                 | \$ 1,653,878       | \$ (2,126,841) | \$ (953,646)   | \$ (1,862,951) | \$ (1,827,007)             | \$ (1,903,856) | \$ (1,129,761) | \$ (609,666)   | \$ (1,097,071) | \$ (1,097,071)             | \$ (1,357,640) |
| <b>DIP Financing</b>                       | \$ 15,000,000              | \$ 18,600,000      | \$ 18,600,000  | \$ 18,600,000  | \$ 18,600,000  | \$ 18,600,000              | \$ 18,600,000  | \$ 18,600,000  | \$ 18,600,000  | \$ 18,600,000  | \$ 18,600,000              | \$ 18,600,000  |
| Borrowings to Date                         | 15,000,000                 | 15,000,000         | 17,000,000     | 17,000,000     | 17,000,000     | 17,000,000                 | 17,750,000     | 17,750,000     | 17,750,000     | 17,750,000     | 17,750,000                 | 18,600,000     |
| DIP Credit Availability                    | \$ 3,600,000               | \$ 3,600,000       | \$ 1,600,000   | \$ 1,600,000   | \$ 1,600,000   | \$ 1,600,000               | \$ 850,000     | \$ 850,000     | \$ 850,000     | \$ 850,000     | \$ 850,000                 | \$ 850,000     |

cc: Phil Gund Pam Charles

<sup>13</sup> Does not include wind down costs or the liquidation of accounts payable and other administrative expenses. The Debtors are in the process of developing a detailed wind down plan for the post closing period.  
<sup>14</sup> Includes two days of cash from the week of March 2, that will be swept during the week of March 5.

**EXHIBIT A**  
**To Amendment No. 3 to**  
**Revolving Credit and**  
**Guaranty Agreement**

**Interim Order**